RSA
RETAIL SAVINGS BONDS
It's the smart way to save!

FIXED RATE RSA RETAIL SAVINGS BONDS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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Please note that this brochure only provides a basic introduction to the Fixed Rate RSA Retail Savings Bond Series. We recommend that you contact the National Treasury should you require more detailed information.

Tel: 012 315 5888 | **email:** queries@rsaretailbonds.gov.za

Investing in Fixed Rate RSA Retail Savings Bonds is the safest investment in South Africa, as these bonds are backed by the full faith and credit of government. You will earn market-related fixed interest rates over the various terms. What you see is what you get - no hidden costs, fees or commissions are payable.

WHY CHOOSE THIS PRODUCT?

- Safe - no risk
- Affordable
- Guaranteed returns
- Convenient

OTHER FEATURES OF FIXED RATE RSA RETAIL SAVINGS BONDS

- Non-transferable
- Non-tradable

WHO CAN INVEST?

Any person with a valid South African identity number and a bank account at a South African bank can invest in the Fixed Rate RSA Retail Savings Bonds. If a minor (a person younger than eighteen years of age) applies for an investment, the application form must be countersigned by a parent or legal guardian.

Minimum purchase	ZAR 1 000.00 (one thousand rand)
Maximum purchase	ZAR 5 000 000.00 (five million rand) (each deposit constitutes a single investment)
Investment terms	2 years 3 years 5 years
Interest dates	31 March and 30 September of each year
Interest options	You can choose to receive a semi-annual interest payment OR to capitalise your interest.

Persons 60 years or older can receive their interest payments monthly

- Interest payments commence on the last day of the month following the investment date.
- Accrued interest will be included in the first interest payment.
- Interest payments may only be paid into the designated bank account and may not be reinvested.

INTEREST RATES ARE:

- Derived from the government bond yield curve;
- Fixed for the entire term of investment; and
- Fixed at the prevailing interest rate on the date you invest.

You can obtain the applicable prevailing interest rates from:

- National Treasury helpline 012 315 5888
- *www.rsaretailbonds.gov.za*
- Local newspapers
- Pick 'n Pay stores

HOW DO I GET STARTED?

You will need:

- A valid South African identity number (driver's licence or passport will not be accepted)
- Your personal banking details
- A complete application form, except if applications are done by telephone
- An amount of not less than R1 000.00

If you are under 18 years of age, you will also need:

- Your legal guardian's signature on the application form, or
- Your marriage certificate, or
- Proof that you have been granted majority status in terms of the Children's Act (Act No 38 of 2005).

HOW DO I INVEST?

Step 1 - Register (provide your personal details)

Where?

- Any branch of the South African Post Office
- RSA Retail Savings Bond website - *www.rsaretailbonds.gov.za*

- Directly at the National Treasury - 240 Vermeulen Street, Cnr. Andries and Vermeulen Streets, Pretoria, 0002
- Telephonically – 012 315 5888

Step 2 - Apply (select bond and maturity)

Where?

- Any branch of Pick 'n Pay
- Any branch of the South African Post Office
- RSA Retail Savings Bond website - *www.rsaretailbonds.gov.za*
- Directly at the National Treasury - 240 Vermeulen Street, Cnr. Andries and Vermeulen Streets, Pretoria, 0002
- Telephonically – 012 315 5888

Step 3 - Pay

How?

- Any branch of Pick 'n Pay
- Any branch of the South African Post Office
- Internet banking
- Direct deposit at the bank

CONFIRMATION OF INVESTMENT, PROOF OF OWNERSHIP AND REGISTRATION OF BONDHOLDERS

An official letter will confirm your investment(s). If a confirmation letter is not received within one week, please call the helpline on 012 315 5888.

EARLY WITHDRAWALS

Withdrawal of your investment before the end of the full maturity period will only be allowed one year after the date that your payment is received. However, note that a penalty is payable on the early withdrawal amount.

The penalty is calculated as follows:

a/1 X 1/b

where –

"a" is the total amount of interest received on the early withdrawal amount, including the interest payable at the early withdrawal date; and

"b" is the total number of times that interest was received on the early withdrawal amount, including the interest payable at the early withdrawal date.

The penalty is effectively equal to one interest payment on the early withdrawal amount.

The National Treasury reserves the right, within its sole and absolute discretion, but only under extraordinary circumstances, to allow early withdrawals prior to one year. However, all interest received on the early withdrawal amount will be **forfeited if such early withdrawal request is approved**.

RESTART OPTION

The Restart investment option enables a Fixed Rate RSA Retail Savings Bonds investor to earn the best interest rate over the life of their investments. An investor will be allowed to Restart their Fixed Rate RSA Retail Savings Bond at a new prevailing interest rate, after twelve months. The Restart option also allows an investor to change their investment period. For example, an investor in a 5 year Fixed Rate RSA Retail Savings Bonds can choose, twelve months after they have invested, to Restart their 5 year bond at the prevailing interest rate in the month they Restart. Or, the investor can choose to Restart their investment as a 2 year or 3 year bond, at the prevailing rate of the month they Restart in.

The option can only be exercised once on an investment, and will only be allowed once the investment has been active for twelve months. Forms to apply for a Restart are available from the National Treasury on request.

The Restart terms and conditions:

- The investment must be a Fixed Rate RSA Retail Savings Bond, and be active for a period of twelve months or longer.
- The Restart option is only valid for the Fixed Rate RSA Retail Savings Bond and not the Inflation Linked RSA Retail Savings Bond.
- The investor agrees that this is not a withdrawal of their investment(s) from the RSA Retail Savings Bonds. The prevailing Terms and Conditions of Issue and the Terms and Conditions of Purchase of the RSA Retail Savings Bonds shall apply.

- No merging of investments shall be permitted, i.e., if an investor has three active investments, they cannot opt to have all three Restarted into a single RSA Retail Savings Bond investment.
- No penalty or charges shall be incurred by the investor for applying for the Restart option.

This initiative is intended to encourage investors to invest for longer and enjoy the peace of mind of earning the best returns at all times.

DEATH OF A BONDHOLDER

Nomination of beneficiary

You can nominate one or more beneficiary(s) (a maximum of 10 natural persons) for your RSA Retail Savings Bonds portfolio. Your investments cannot be separated per beneficiary; all investments shall be divided and paid equally where there is more than one beneficiary.

The nominated beneficiary(s) or executor shall receive payment within 20 days of receipt by the National Treasury of the required documents (i.e. death certificate, letter of executorship etc.).

a) Where there is no will

(i) Using a duly hand-signed Beneficiary Nomination Form, the nominated beneficiary(s) shall have the funds invested by the deceased paid in full to the said beneficiary(s) equally. Full receipt of certified copies of the deceased's death certificate, the beneficiary(s) identity document(s) and personal bank statement(s) and proof of address(s) are required.

b) In terms of a will

(i) In the event of a beneficiary not having been nominated, the invested funds will be paid in full at the instruction of the executor and paid into an account as determined by the executor. However, a letter of executorship issued by a Master of the High Court of the Republic is required before the National Treasury can register the RSA Retail Savings Bond(s) in the name of the deceased estate and pay the invested funds.

(ii) Where a beneficiary has been nominated, paragraph a) (i) above will apply.

c) Validity

(i) A beneficiary shall be considered valid on receipt of the duly hand-signed Beneficiary Nomination Form and is recorded electronically by the RSA Retail Savings Bonds office.

d) Estate Duty

It is the responsibility of the person administrating the estate to ascertain the rights they have and establish the implications of estate duty as prescribed by the South African Revenue Service and comply with any other legal requirements of the Republic.

CONTACT DETAILS

Phone: 012 315 5888 | **Fax:** 012 315 5675 / 5314
Website: *www.rsaretailbonds.gov.za*
Email address: queries@rsaretailbonds.gov.za
Physical address: 240 Vermeulen Street, Cnr Andries and Vermeulen Streets, Pretoria, 0002

The helpline is available from 08h00 to 18h00 on weekdays and from 08h00 to 13h00 on Saturdays.

TERMS AND CONDITIONS OF PURCHASE OF THE RSA RETAIL SAVINGS BOND

By completing the Application Form you will be agreeing with the National Treasury as set out in these Terms and Conditions of Purchase:

1. Save where the context requires otherwise, the terms used in these Terms and Conditions of Purchase bear the same meaning when used in the Republic of South Africa RSA Retail Savings Bond User Manual and the Terms and Conditions of Issue.

2. By completing and signing an Application Form, you:
   - 2.1 are purchasing from the National Treasury, the RSA Retail Savings Bond to the value of the amount that you have specified on your Application Form, being the amount which you wish to invest in the RSA Retail Savings Bond, provided that your purchase must be for a minimum of R1,000.00 (one thousand Rand) for each RSA Retail Savings Bond;
   - 2.2 agree that your application may not be revoked by you once it has been submitted to the National Treasury;
   - 2.3 undertake, after receipt of Notice to effect payment of the relevant Capital Amount for the RSA Retail Savings Bond in respect of which your application is lodged;
   - 2.4 warrant that:
     - 2.4.1 when depositing a cheque into the Designated Bank Account, it will be a Bank Guaranteed Cheque. You agree that, if your cheque is not a Bank Guaranteed Cheque, you will not be entitled to be registered as a Registered Holder in respect of the RSA Retail Savings Bond applied for, or to enjoy or receive any rights or interest in respect of the RSA Retail Savings Bond, unless and until you make payment in cleared funds and such payment is received by the National Treasury. You indemnify the National Treasury against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation;
     - 2.4.2 you are in possession of a valid South African identity number;
     - 2.4.3 if you sign an Application Form on behalf of somebody else, you have the authority to do so and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Purchase, and you undertake to enclose your power of attorney or any other authority or a duly certified copy thereof; and
     - 2.4.4 you are not engaged in, or utilizing funds from a person engaged in money laundering and that all information and particulars provided by you on the Application Form concerned is true and correct.
   - 2.5 agree that:
     - 2.5.1 at any time prior to unconditional acceptance by the National Treasury of payment, the National Treasury may without prejudice to any other rights it may have in law, terminate the issuance of any or all of the RSA Retail Bond Series without any liability of the National Treasury to you or any other person(s), in which case you or any third party will have no claim for any loss or damage of whatsoever nature, however arising against the National Treasury as a result of such non-issuance;

2.5.2 on request by the National Treasury, you shall disclose promptly in writing to the National Treasury such information as the National Treasury may request in connection with your application, and authorize the National Treasury to disclose any information relating to your application which it may consider appropriate to any authority entitled in law to such information;

2.5.3 if at any time you are found to have made application with an incorrect or invalid identity number and evidence of identity satisfactory to the National Treasury is not provided to the National Treasury on request, including the provision of a valid identity number, or your Application Form is not completed correctly or is incomplete, or you do not provide a Designated Bank Account or if the accompanying deposit is for the wrong amount or where you are under the age of 18 (eighteen) and your application is not signed by your parent or guardian, the National Treasury may decline your application and return your application monies by direct deposit into the bank account set out in your Application Form. You agree that, in such event, you will have no claim against the National Treasury, or any of its officers, agents or employees in respect of your application or for any loss arising there from;

2.5.4 having had the opportunity to obtain and read the Manual, you shall be deemed to have noted all information and representations concerning the Retail Bonds contained in the Manual; and

2.5.5 any returned monies will be electronically credited to the account reflected on your Application Form without any interest accruing thereto.

3. If you have signed the Application Form on behalf of anyone else, then it is your principal who is party to these terms and conditions, and all references to you must be read as being references to your principal. In this event you undertake to enclose with your application the original or a certified copy of the relevant power of attorney, failing which your application may be rejected.

4. If your application is not acceptable, the amount deposited will be deposited into your account as set out in the Application Form. In the meantime, all monies will be retained by the National Treasury and any interest accrued on such funds will be retained by, and for the benefit of the National Treasury. Should your bank account details not be correct, monies will be retained by the National Treasury until claimed by you. No interest will be payable on such retained monies.

5. By completing an Application Form, you

5.1 confirm that, in making an application, neither you nor any person on whose behalf you are applying is relying on any other information or representation in relation to the National Treasury except such as is contained in the Manual and the Terms and Conditions of Issue, and you agree that neither the Government, the National Treasury, any member of the National Treasury, or any person acting on its behalf or any person responsible for the Manual or the Terms and Conditions of Issue, or any part of them, shall have any liability for any such information or representation not contained in the Manual or the Terms and Conditions of Issue; and

5.2 acknowledge that no person is authorized in connection with the Retail Bond to give any information or to make any representation,

other than as contained in the Manual and, if given or made, any information or representation must not be relied upon as having been authorized by the National Treasury.

6. By completing and signing the Application Form you will be deemed to have agreed to be bound by the Terms and Conditions of Issue.

7. You agree that, the National Treasury may in its absolute discretion require verification of identity from any person lodging an Application Form who appears to the National Treasury to be acting on behalf of some other person. In all cases, verification of the identity of the applicant may be required. In addition, in the second case, verification of the identity of any persons on whose behalf the applicant appears to be acting may be required. Failure to provide the necessary evidence of identity may result in your application being rejected or in delays in the processing of the application.

8. Application Forms must be completed in accordance with the provisions of these Terms and Conditions of Purchase and the instructions set out in the relevant Application Form.

9. Each application will be regarded as a single application.

10. To the extent permitted by law, all representations, warranties and conditions, express or implied, and whether statutory or otherwise (including, without limitation, but excluding any fraudulent representations) are expressly excluded in relation to the RSA Retail Savings Bond by the National Treasury.

11. The rights and remedies of the National Treasury under these Terms and Conditions of Purchase are in addition to any rights and remedies which would otherwise be available to the National Treasury in law.

12. You agree that all applications shall be governed by and construed in accordance with South African law, and that you submit to the non-exclusive jurisdiction of the South African courts, and agree that nothing shall limit the right of the National Treasury to bring any action, suit or proceedings arising out of or in connection with any such application in any other manner permitted by law or in any court of competent jurisdiction.

13. You authorize the National Treasury and its agents to do all such things necessary to effect entry of your name onto the Register.

14. Your application constitutes your offer to purchase from the National Treasury the RSA Retail Savings Bond selected on your Application Form.

Lungisa Fuzile
DIRECTOR-GENERAL
National Treasury
2011

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“With **RSA Retail Savings Bonds**, we have taken the first step towards our financial freedom...”

www.rsaretailbonds.gov.za | **Helpline:** +27 12 315 5888

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